

# Information Technology Investment Policy

Adopted by the Information Services Board (ISB) on December 10, 1999

**Policy No: 200-P1**

Also See: [101-S1](#), [201-S1](#)

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[Definitions](#)

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## Purpose

The purpose of this policy is to ensure that information technology (IT) resource investments by agencies of the executive and judicial branches of state government:

- are included in an agency's IT portfolio and support that agency's strategic business plan, business requirements, and risk management process.
- are wise uses of state resources made after consideration of multiple alternatives and a range of technical, functional, and business options.
- are obtained through the use of open, vendor-neutral specifications and standards that support each agency's IT portfolio and the state's overall IT infrastructure.
- are obtained through fair and open competition among vendors, when possible.

## Statutory Authority

The provisions of RCW 43.105.041 detail the powers and duties of the ISB, including the authority to develop statewide or interagency information services and technical policies, standards and procedures.

## Scope

This policy applies to all executive and judicial branch agencies and educational institutions, as provided by law, that operate, manage, or use IT services or equipment to support critical state business functions.

Additionally, this policy applies to investments in IT resources and purchased services regardless of funding source, supply source, or intended use or purpose, including:

- The operation, management, or use of stand-alone, shared, or network-attached computers.
- The operation, management, or use of voice, data, or video telecommunications equipment, networks, or services.
- The purchase of computer or telecommunications network or integration services from commercial sources.
- The purchase of commercial off-the-shelf or state-developed software.

## Exemptions

1. The ISB reserves the right to exempt enterprise-wide or emerging technologies from an agency's delegated authority until policies and standards regarding these technologies are adopted. Any of these investments may require ISB or DIS review and/or approval even if the cost is within an agency director's delegated authority. Among these exemptions are: mainframe computers, new wide area networks (WANS), human resources applications such as payroll or training systems, electronic payment methods, digital signature or public key infrastructure (PKI) technologies and services, and encryption technologies or services (except for commonly available commercial off-the-shelf session-related functions in web browsers and similar client software).

Also exempted are systems that compete with or are to be used in place of systems that serve state-wide functions such as the Office of Financial Management's AFRS system of financial management and the Department of Personnel's data warehouse. If an agency is considering investing in any of these technologies, IT should contact its DIS senior technology management consultant.

2. Agencies are delegated authority without limitation to acquire information technology process control equipment. Examples of such equipment are traffic, bridge, heating, cooling, laboratory equipment, water level monitors and controllers, and the like.
3. Agencies are delegated authority without limitation to acquire IT resources to restore levels of operation following an emergency or a disaster such as a fire, flood, earthquake, vandalism, or theft. This authority is only for the purchase of resources necessary to restore operations or replace inoperative equipment with similar equipment.

4. Higher education institutions are delegated authority without limitation to acquire IT resources for academic and research applications.
5. All video telecommunications purchases require an acquisition plan to be submitted to DIS.

## Policy

The Information Services Board (ISB) has authority over the purchase of all information technology (IT) investments made by executive and judicial branch agencies. The ISB may delegate this authority to agency directors, who are prohibited from making IT investments without it. Agency directors are responsible for the management and use of information systems, telecommunications, and IT equipment, software, and services of their respective agencies.

Except for making any of the investments listed in the “policy exceptions” section of this document, agency directors are granted a delegated authority of:

- \$50,000 for agencies with 49 or less total agency FTEs, or
- \$250,000 for agencies with 50 to 149 total agency FTEs, or
- \$1,000,000 (or a greater amount determined by the ISB) for agencies with 150 or greater total agency FTEs,

if the agency has complied with the provisions of the portfolio management and investment policies and standards.

Agencies that fail to comply with the provisions of the portfolio management and investment policies and standards, including but not limited to annual portfolio updates, are limited to a maximum delegated authority of \$10,000.

Within their delegated authority, directors or their agencies may acquire IT resources or make investments that are part of a project rated as oversight level 1 (per the oversight matrix in the Information Technology Investment Standards), without first obtaining approval from the ISB or the planning and policy component of the Department of Information Services (DIS).

Delegated authority for each agency director is listed in the appendix. The ISB may review, increase, decrease, or revoke any previous delegation regarding acquisition of IT resources. All acquisitions conducted under delegated authority must comply with ISB IT Investment Policy and the ISB IT Investment Standards.

ISB approval is required under one or more of the following circumstances:

- The investment was placed under ISB oversight by legislative proviso.
- The ISB places the investment under its oversight.

- The investment was rated oversight level 3 or is part of a project that was rated oversight level 3 (per the oversight matrix in the Information Technology Investment Standards).
- ISB approval may be required if the investment cost exceeds the agency director's delegated authority. In these situations, an agency must contact its DIS senior technology management consultant.

ISB approval may be required if the investment is exempted from delegated authority. In these situations, an agency must contact its DIS senior technology management consultant.

DIS approval is required under one or more of the following circumstances:

- The investment cost is more than the agency director's delegated authority.
- The acquisition process to be used is a technology assessment.
- The investment was rated oversight level 2 or is part of a project that was rated oversight level 2 (per the oversight matrix in the Information Technology Investment Standards).
- The investment is exempted from delegated authority, even if the investment is within the agency director's delegated authority.

DIS may recommend ISB oversight of level 2 investments.

To obtain ISB or DIS approval, an agency must submit an investment plan to DIS, as detailed in the Information Technology Investment Standards.

If ISB or DIS approval is required, it must be obtained before conducting the acquisition and before releasing any formal solicitation document. If the solicitation results in investment cost and/or risk assessment higher than the approval authority level already obtained, the investment must receive the appropriate approvals for the revised investment cost and/or risk assessment before moving forward.

ISB approval and oversight may be required for IT related personal services acquisitions that exceed an agency director's delegated authority or that are part of a project that was rated oversight level 3. DIS approval and oversight may be required for IT-related personal services acquisitions that exceed an agency director's delegated authority or that are part of a project that was rated oversight level 2. In these situations, an agency should contact its DIS senior technology management consultant.

IT-related personal service acquisitions also fall under the procurement and filing requirements of RCW 39.29, "personal services contracts." Agencies should conduct these acquisitions in accordance with the requirements of the Office of Financial Management (OFM) policy 15.20 and file the contracts in accordance with OFM policy 15.30.

Acquisition of IT-related resources may require approval from authorities other than the ISB or DIS. For example, under the provisions of OFM policy 80.30.88b, OFM approval is required prior to an agency procuring a new agency accounting and/or reporting system that materially impacts its accounting methods or practices. Under the provisions of RCW 39.94, state finance committee approval is required for lease/purchase or financing arrangements over \$10,000. And finally, the department of General Administration has authority over the acquisition of supplies for continuing operations.

Acquisition methods are intended to be flexible and adaptable to individual situations, provided that they comply with the provisions of ISB policies. Each time an agency conducts an acquisition, it should choose the method that best suits its business needs at that time. Acquisition methods include, but are not limited to the following:

Competitive solicitation, including:

- Requests for Proposal (RFP)
- Requests for Quotation (RFQ)
- Requests for Quotation and Qualifications (RFQQ)

Existing contracts, including:

- Corporate agreements
- Master contracts
- Follow-on use

Other:

- Sole source
- DIS technology brokering and leasing
- Interagency transfers
- Direct buy of resources under \$10,000
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Agencies that wish to acquire IT resources under another agency's solicitation that authorizes follow-on use must ensure that all the conditions contained in the Information Technology Investment Standards are met. Additionally, neither the original soliciting agency nor any agency that wishes to execute a follow-on contract may add vendors or expand the scope of products beyond what was competitively acquired through the initial acquisition.

Complaint and protest procedures must be used for competitive acquisitions over \$9,999 and are listed in the Information Technology Investment Standards document.

## **Maintenance**

Technological advances and changes in the business requirements of agencies will necessitate periodic revisions to policies, standards, and guidelines. The Department of Information Services is responsible for routine maintenance of these to keep them current. Major policy changes will require the approval of the ISB.

**Appendix: [Technology Management Consultant Assignments and Agencies' Delegated Authority List](#)**